

Environmental Quality Commission meeting

HB 2007 (2019) Retrofit Compliance Program

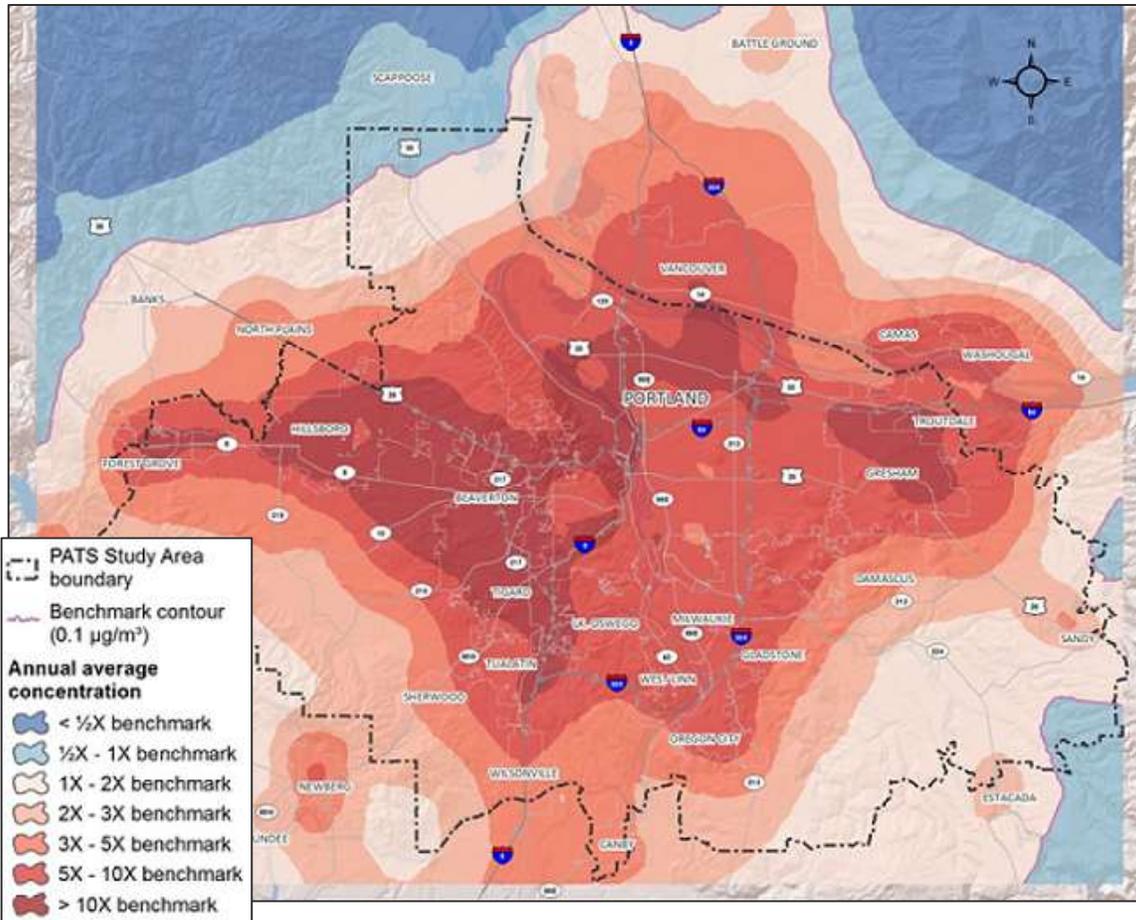
Agenda Item L, Rule proposal
July 23, 2021

Presenters Ali Mirzakhali, Air Quality Division Administrator
Rick Reznick, Operations and Policy Analyst

Diesel Background – Strategy

- Replace and retire the oldest diesel engines
- Adopt new and cleaner technologies
- Support owners and operators transition their fleets

Diesel Background – Impacts



- Diesel PM causes cancer and other health effects
- Diesel trucks are a major contributor to smog-forming pollution
- Diesel engine exhaust disproportionately impacts communities of color

Legal Authorities – Onroad Trucks

Emissions standards for in-use engines



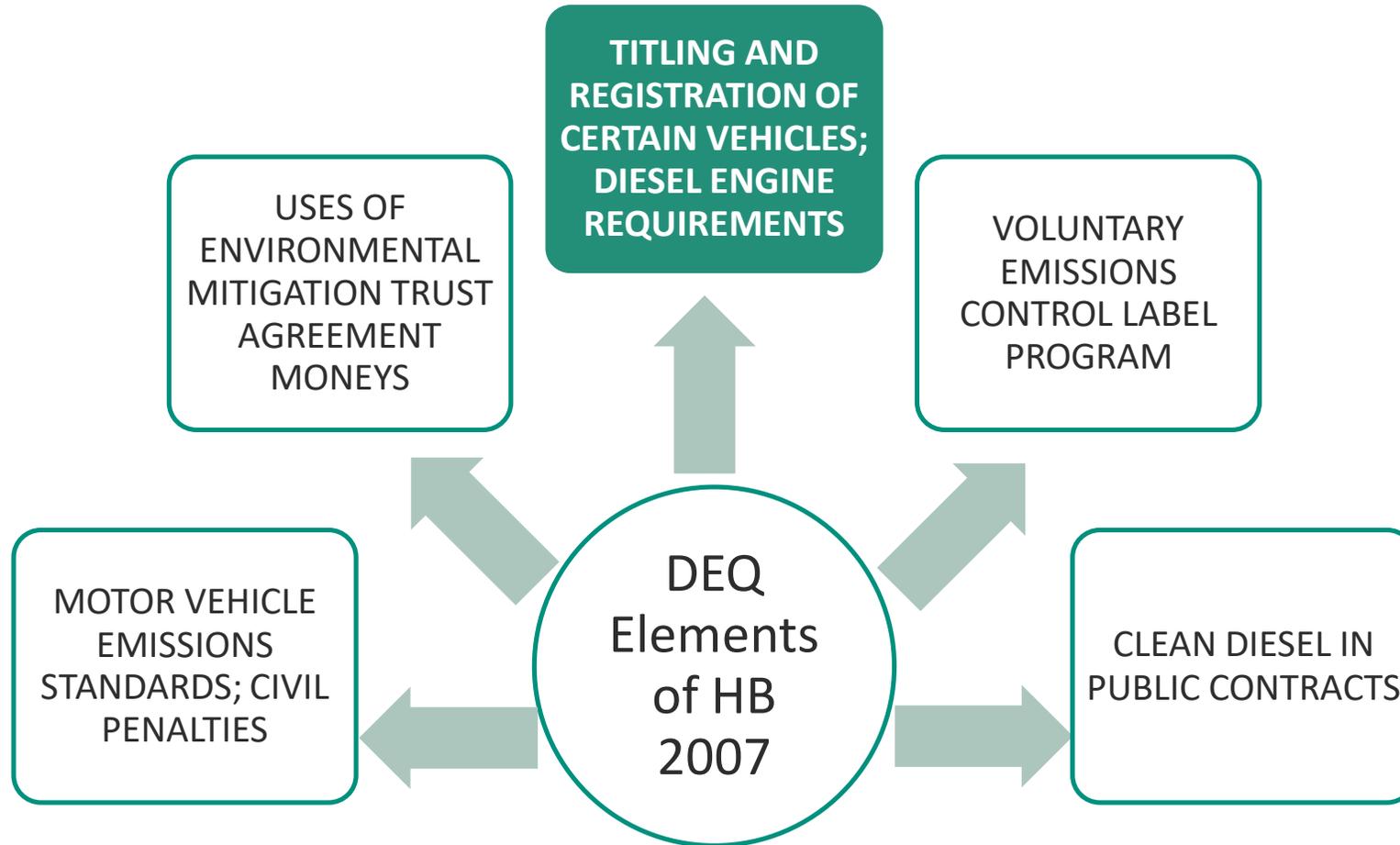
Oregon may adopt its own **emission standards** for in-use onroad engines.

Emissions standards for new engines



Oregon cannot establish **emission standards** for new onroad engines (motor vehicles) separate from federal requirements – **except when adopting California standards.**

Background – HB 2007 (2019)



ORS 803.591 Subject Vehicles and Timelines



Medium-duty trucks
subject to ORS
803.591 in 2023

Jan. 1,
2023

- A medium-duty or a heavy-duty truck powered by a model year 1996 or older diesel engine cannot be registered

Jan. 1,
2025

- A medium-duty truck powered by a model year 2009 or older diesel engine cannot be titled
- A heavy-duty truck powered by a model year 2006 or older diesel engine cannot be titled

Jan. 1,
2029

- A medium-duty truck powered by a model year 2009 or older diesel engine cannot be registered
- Publicly owned heavy-duty trucks powered by a model year 2009 or older diesel engine cannot be registered
- Privately owned heavy-duty trucks powered by a model year 2006 or older diesel engine cannot be registered



Heavy-duty trucks
subject to ORS
803.591 in 2023

ORS 803.591 applies to motor vehicles if the address of the owner of the motor vehicle is located within Multnomah, Clackamas or Washington County
Vehicle counts based on ODOT legislative report September 15, 2020 [https://www.oregon.gov/odot/About/GR/HR%202007%20\(2019\)%20Clean%20Diesel%20Report.pdf](https://www.oregon.gov/odot/About/GR/HR%202007%20(2019)%20Clean%20Diesel%20Report.pdf)

HB 2007 (2019) Statutory Authority

DEQ — Vehicle
Inspection Program
ORS 468A.810

- Approved retrofit technology criteria
- Standards for reducing diesel emissions
- Manner for issuing certification of compliance and proof certification provided to ODOT

ODOT — Driver and
Motor Vehicle Service
& Commerce and
Compliance Division
ORS 803.591

- Renewal, registration and titling prohibitions for certain vehicles (phased timeline)
- Processes for DEQ retrofit certification
- Vehicle exemption requirements

Three Rulemaking Advisory Committee meetings; one Fiscal Advisory Committee meeting

Sept. 2020 – Jan. 2021

Passive System ≈ \$12,000 - \$14,000	Fuel Based Active System ≈ \$8,000 - \$16,000	Electric or Plug-in Active System ≈ \$10,000 – \$16,000
DEQ Statement Fiscal and Economic Impact:		Fiscal Advisory Committee Input:
<ul style="list-style-type: none"> • DEQ rules provide an exception from the ODOT diesel engine registration/title phase-out for certain vehicles • The rulemaking does not impose mandatory requirements • Ways DEQ is mitigating the impact on small business: <ul style="list-style-type: none"> • Preference points awarded for Environmental Mitigation Trust Agreement Program (VW Grants) • DEQ is not imposing any program fees associated with the compliance process • Retrofit certification continues as long as the owner participates in the program 		<ul style="list-style-type: none"> • The committee agreed the rules provide a pathway for a vehicle owner to register a vehicle subject to the engine year phase-out mandates per ODOT statute • Discussed the extent of the fiscal impact, both positive and negative, and agreed with the approximate direct and indirect costs DEQ’s provided • The committee agreed that DEQ’s mitigation efforts and the grant program reduce the impact on small business as long as grant funding and assistance is available for those that apply

Elements of DEQ's Proposed Rules

Requirements for
Approved Retrofit
Technology

Certificate of
Approved Retrofit
Compliance

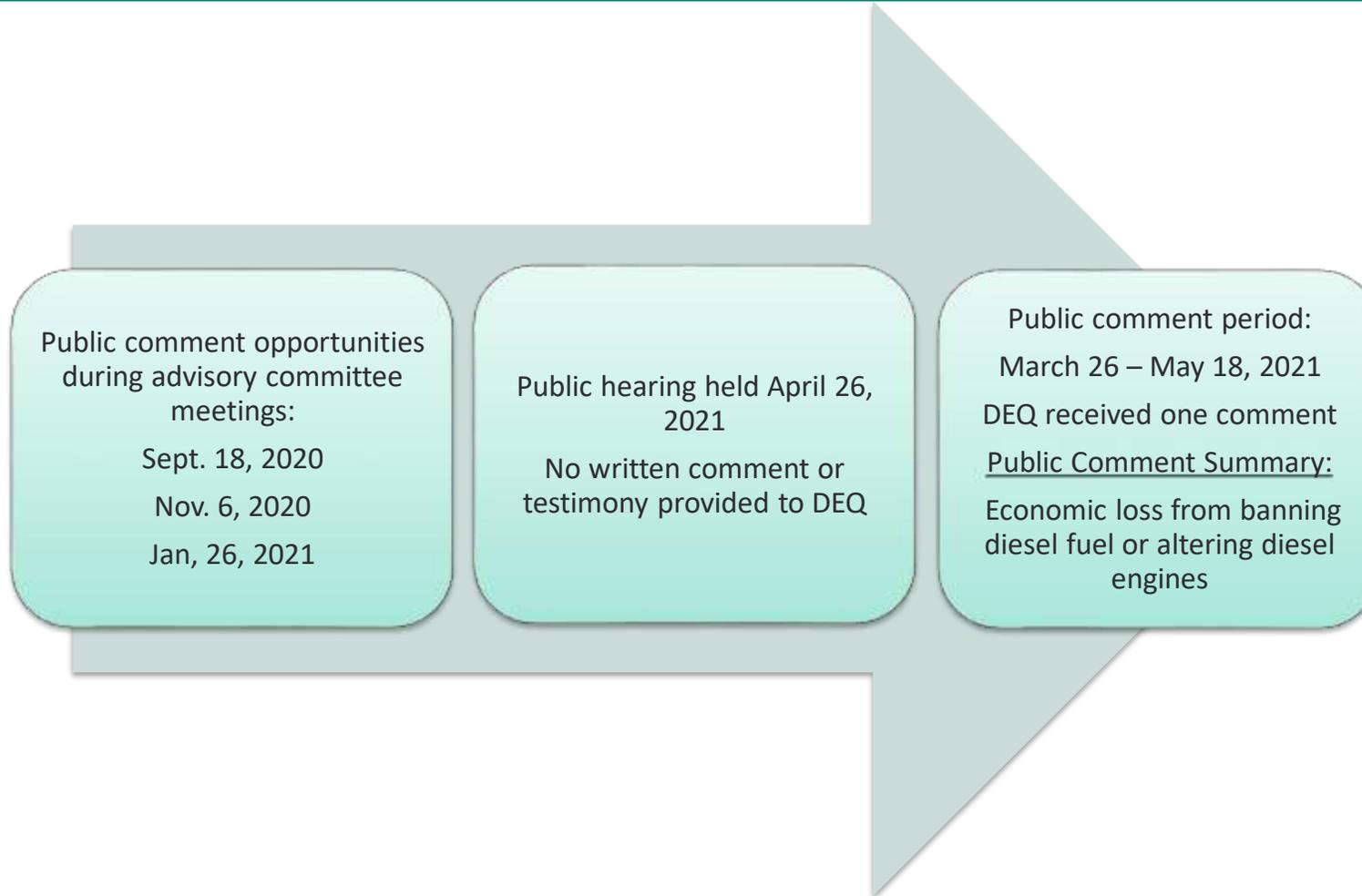
Requirements for
Approved Retrofit
Technology

Annual Renewal and
Periodic Verification
Process

Approved Retrofit
Compliance Labeling
Requirements

Component
Swapping or Re-
Designation of
Approved Retrofit
Technology

Public Comment



Key Retrofit Compliance Program Dates:

July 2021:

- Proposed rules for EQC action July 23, 2021
 - Pre-implementation outreach through February 2022

September 2022:

- Accepting applications for Approved Retrofit Technology
- Issuing Certificates of Approved Retrofit Compliance

Jan. 1, 2023:

- Accepting applications for Approved Retrofit Technology
- Annual renewal application begins
- Periodic verification begins

Jan. 1, 2025:

- Phase 2 titling requirements (retrofit compliance)

Jan. 1, 2029:

- Phase 3 registration requirements (retrofit compliance)

Recommendation

DEQ recommends that the Environmental Quality Commission:

- Adopt the proposed rules seen on pages 30 through 49 as part of Chapter 340 of the Oregon Administrative Rules; and
- Approve incorporating these rule amendments into the Oregon Clean Air Act State Implementation Plan under OAR 340-200-0040; and
- Direct DEQ to submit the SIP revision to the U.S. Environmental Protection Agency for approval.